



25 July 2023

Quarterly Activities and Cash Flow Report

Quarter ended 30 June 2023

Key highlights

- dorsaVi achieved sales revenue of ~\$495k in Q4 FY23, growing 37% from the previous quarter (~\$362k in Q3 FY23)
- Materially lower cost base recording ~\$725k in cash expenses for Q4 FY23, representing an ~11% decrease compared to the previous quarter (~\$815k in Q3 FY23) and a ~50% reduction on prior corresponding period (~\$1,440k in Q4 FY22)
- Signed new contract with the University of Rochester worth ~\$100k¹, validating dorsaVi's technology with a leading American institution
- Upgraded flagship product ViMove⁺ with the release of a new "Run module"
- Upcoming Run module enhancements leveraging AI-based video tracking functionality announced subsequent to the quarter
- Cash balance of \$879k as at 30 June 2023

Melbourne, Australia, 25 July 2023: dorsaVi (ASX:DVL) (dorsaVi or the **Company**) today released its Quarterly Activities Report and Quarterly Cashflow Report (Appendix 4C) for the quarter ended 30 June 2023.

Dr Andrew Ronchi, dorsaVi's Chief Executive Officer, commented:

"We are pleased to be generating operating leverage this quarter, reflected in our sales growth which was achieved on a lower and sustainable cost base. We remain committed to driving advancements in the wearable sensor and AI spaces and are proud of the progress we have made leveraging cutting-edge AI technology to drive new insights.

We are excited to have sealed several important deals this quarter, notably signing with the University of Rochester. This not only strengthens our top-tier customer base but also diversifies our revenue streams.

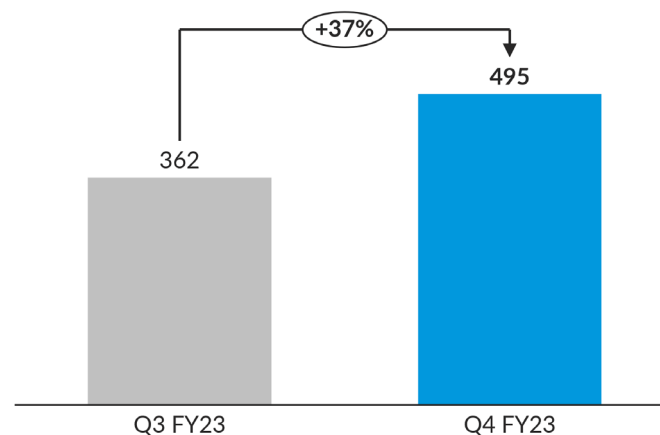
We have been intently listening to customer feedback, with a clear focus on enhancing our products through AI capabilities. With exciting upgrades to the ViMove⁺ Run module soon to be released (scheduled for September 2023), we are confident in our plans to scale sales and increase recurring revenues."

Financial update

dorsaVi recognised sales revenues of ~\$495k for Q4 FY23 representing growth of ~37% compared to the previous quarter (~\$362k in Q3 FY23). Further expanding its pipeline of future business, the Company signed several new contracts worth ~\$238k during the quarter. This result takes the total

value of new deals won during the financial year to \$1.01m, which is a testament to the growing demand for AI-enabled sensor technology.

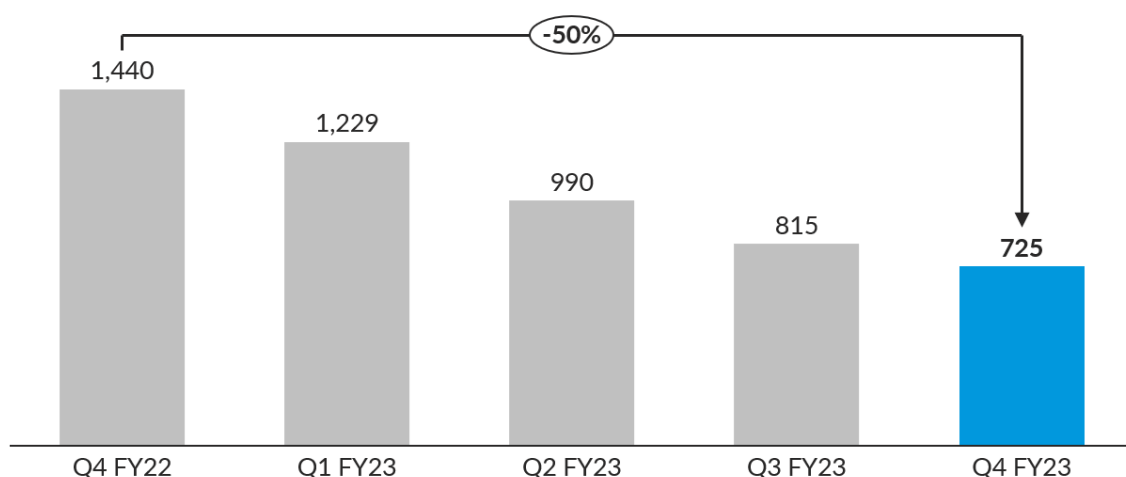
Figure 1: Sales Revenue (A\$k)



dorsaVi's base of ~\$1.1m annualised recurring revenue (ARR) remains strong, underpinned by a burgeoning workplace market and customer wins through dorsaVi's strategic partnership with QBE. The Company aims to build on this stable revenue base with the release of new product updates and enhancements, including advanced AI video tracking functionality, which expand the product's use cases and dorsaVi's addressable market.

dorsaVi continued to lower its cost base during the quarter, recording an 11% reduction in cash expenses from the previous quarter and a 50% reduction since Q4 FY22 as shown in Figure 2. Lower cash expenses reflect the successful implementation of dorsaVi's cost minimisation strategy, which has now resulted in four consecutive quarters of reductions. The company remains focused on driving increased operating leverage, while maintaining a lower cost base.

Figure 2: Cash expenses (A\$k)



Strategic partnership signed with University of Rochester

dorsaVi signed an agreement with leading U.S. University, University of Rochester Medical Center, during the quarter which will generate ~A\$100k in sponsored research support over a 12-month period. The research collaboration is for 12 months initially, with the potential to be extended for up to 5 years. Alongside the University's gait and motion lab, dorsaVi's sensor technology and AI

algorithms will assist investigative research into spinal motion and patterns of movement. The study will be led by Assistant Professor and Director Dr Ram Haddas, who brings extensive experience in Clinical Biomechanics, Kinesiology, Rehabilitation Sciences, Healthcare Engineering and Wearables. The new contract will drive further research on dorsaVi's product line and validates dorsaVi's status as a trusted provider of wearable sensor technology.

New product upgrade to ViMove+

During the quarter, dorsaVi announced the release of the new Run module to its flagship ViMove+ product. The new module offers a simple and effective method of assessing the physical performance of patients during the running motion. Running data is automatically analysed by dorsaVi's AI based algorithms to deliver advanced running metrics and identify potential inefficiencies in a patient's movement. The addition of the Run module diversifies the Company's product offering and positions ViMove+ as an all-purpose tool for biomechanical assessments. With the new module, dorsaVi intends to target athletes, coaches and running experts to drive further sales and expand the Company's addressable market.

AI-based enhancements to Run module

Subsequent to the quarter, dorsaVi announced it was finalising enhancements to the recently released Run module to include AI-based video tracking functionality. Traditionally, clinicians and coaches have been required to use video tracking and sensor technology separately, with no comprehensive solution currently available in the market. By leveraging existing technology, dorsaVi will combine top-tier video tracking software with its leading sensor technology to form a single running analysis solution at minimal development cost. The inclusion of video tracking capability increases the product's functionality, allowing ViMove+ to benefit a broader patient group and also expands the broader the market opportunity, while leveraging cutting edge AI technology. The enhanced Run module is scheduled to be released in September this year and dorsaVi expects that the product enhancement will support sales growth and generate recurring revenues.

Cash position

As at 30 June 2023, dorsaVi has a cash balance of ~\$879k. dorsaVi remains committed towards strategically managing its costs and expanding revenues by bringing its leading sensor technology into key markets.

Payments related to Item 6.1 of Appendix 4C relate to the Chief Executive Officer's salary.

This release has been authorised for lodgement to the ASX by the Company's Finance Disclosure Committee.

¹ Assumes an A\$:US\$0.67 exchange rate

- ENDS -

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About dorsaVi

dorsaVi Ltd (ASX: DVL) is an ASX company focused on developing innovative motion analysis device technologies for use in clinical applications, elite sports, and occupational health and safety. dorsaVi believes its wearable sensor technology enables, for the first time, many aspects of detailed human movement and position to be accurately captured, quantified, and assessed outside a biomechanics lab, in both real-time and real situations for up to 24 hours. dorsaVi's focus is on two major markets:

- **Workplace:** dorsaVi enables employers to assess risk of injury for employees as well as test the effectiveness of proposed changes to OHS workplace design, equipment or methods based on objective evidence. dorsaVi works either directly with major corporations, or through an insurance company's customer base with the aim of reducing workplace compensation and claims. dorsaVi has been used by major corporations including Sodexo, London Underground, Vinci Construction, Crown Resorts, Caterpillar (US), Monash Health, Coles, Woolworths, Toll, Toyota, Orora (formerly Amcor) and BHP Billiton.
- **Clinical:** dorsaVi is transforming the management of patients with its clinical solutions (ViMove, ViMove2 and Professional Suite) which provide objective assessment, monitoring outside the clinic and immediate biofeedback. The clinical market is broken down into physical therapy (physiotherapists), hospital in the home and elite sports. Hospital in the home refers to the remote management of patients by clinicians outside of physical therapy (i.e. for orthopaedic conditions). Elite sports refers to the management and optimisation of athletes through objective evidence for decisions on return to play, measurement of biomechanics and immediate biofeedback to enable peak performance.

Further information is available at www.dorsavi.com

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

dorsaVi Ltd

ABN

15 129 742 409

Quarter ended ("current quarter")

June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	414	2,104
1.2 Payments for		
(a) research and development	-	(10)
(b) product manufacturing and operating costs	(109)	(251)
(c) advertising and marketing	(40)	(185)
(d) leased assets	(7)	(39)
(e) staff costs	(371)	(1,951)
(f) administration and corporate costs	(190)	(1,262)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	9
1.5 Interest and other costs of finance paid	(8)	(61)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	36	635
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(270)	(1,011)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(15)
(d) investments	-	-
(e) intellectual property	(3)	(37)

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	(f) other non-current assets	-	-
	Proceeds from disposal of:		
	(g) entities	-	-
	(h) businesses	-	-
	(i) property, plant and equipment	-	-
	(j) investments	-	-
	(k) intellectual property	-	-
	(l) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(3)	(52)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,447
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(2)	(117)
3.5	Proceeds from borrowings	-	302
3.6	Repayment of borrowings	(32)	(140)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(34)	1,492
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,186	450
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(270)	(1,011)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(52)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(34)	1,492

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	879	879

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	798	1,106
5.2	Call deposits	81	80
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	879	1,186

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	25
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		
Salary and superannuation to CEO (a director of the entity)		

Quarterly cash flow report for entities subject to Listing Rule 4.7B

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Unsecured loan facility	61	61
7.2	Credit standby arrangements	-	-
7.3	Secured loan facility	200	200
7.4	Total financing facilities	261	261
7.5	Unused financing facilities available at quarter end		-
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>Loan facility (\$102k) - An unsecured \$102k insurance premium finance facility repayable over 10 months to 25 December 2023 at an interest rate of 6.4%.</p> <p>Loan facility (\$200k) – A \$200k loan facility secured against the Company's 2023 R&D tax rebate at an annualised interest rate of 16% and repayable on the earlier of the receipt of the R&D tax rebate or 30 November 2023.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(270)
8.2	Cash and cash equivalents at quarter end (item 4.6)	879
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	879
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	3.25
<p><i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i></p>		
8.6	<p>If item 8.5 is less than 2 quarters, please provide answers to the following questions:</p> <p>8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?</p> <p>Answer:</p> <p>8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?</p> <p>Answer:</p>	

Quarterly cash flow report for entities subject to Listing Rule 4.7B

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 25 July 2023

Authorised by: Finance Disclosure Committee

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.